

Message Text

CONFIDENTIAL

PAGE 01 PARIS 12399 01 OF 02 271745Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08
FRB-03 INR-07 NSAE-00 SP-02 STR-04 TRSE-00 LAB-04
SIL-01 OMB-01 OES-06 AGRE-00 DODE-00 PA-01
USIA-06 PRS-01 L-03 XMB-02 IO-13 PM-04 NSC-05
SS-15 /105 W

-----271819Z 015195 /45

R 271732Z APR 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 2180
INFO ALL EC CAPITALS
USMISSION NATO
AMEMBASSY MADRID
AMEMBASSY LISBON
AMEMBASSY ATHENS
AMEMBASSY ANKARA

C O N F I D E N T I A L SECTION 01 OF 02 PARIS 12399

USEC BRUSSELS PASS TO SALISBURY

E.O. 11652: GDS
TAGS: PFOR, FR, EEC
SUBJ: QUAI COMMENTS ON EUROPEAN STRUCTURAL PROBLEMS

REF: PARIS 04273 AND PREVIOUS

1. BEGIN SUMMARY: IN LONG TALK WITH RPES SALISBURY
AND EMBOFF, QUAI DEPUTY DIRECTOR FOR WESTERN EUROPEAN
AFFAIRS SIEFER-GAILLARDIN OFFERED HIS PERCEPTIONS ON A
NUMBER OF EC STRUCTURAL ISSUES, INCLUDING THOSE
AFFECTING THE COUNCIL, ENLARGEMENT AND PROSPECTS FOR
A "TWO-TRACK" COMMUNITY, DIRECT ELECTIONS TO THE
EUROPEAN PARLIAMENT, CONVERGENCE, AND JENKINS' PARTICI-
PATION AT THE LONDON SUMMIT. END SUMMARY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PARIS 12399 01 OF 02 271745Z

2. THE COUNCIL OF MINISTERS:
AS GISCARD HAD EXPLAINED AT THE RECENT EUROPEAN
COUNCIL IN ROME, GOF IS INCREASINGLY CONCERNED BY THE
GROWING PARALYSIS AFFECTING THE COUNCIL OF MINISTERS
AND THE EUROPEAN COUNCIL. IN THE FRENCH VIEW, THE
LUXEMBOURG FORMULA PROVIDING FOR MAJORITY DECISIONS,
IS NO LONGER WORKING. RECENT BRITISH TACTICS IN

BLOCKING FARM PRICES, BUTTER AND FISHERIES DECISIONS HAVE BEEN PARTICULARLY DISCOURAGING. (CONVERSATION TOOK PLACE BEFORE THE APRIL 25 EC COMPROMISE ON AGRICULTURAL PRICES.) EVEN LESSER ISSUES WERE CONTRIBUTING TO THE INCREASING FRUSTRATION OF THE EC DECISION-MAKING PROCESS AND WERE UNDERMINING EC'S IMAGE.

COMMENT: THIS IRRITATION OVER RECENT BRITISH TACTICS HAS ALSO SPILLED OVER INTO THE PRESS. IN FRONT-PAGE EDITORIAL APRIL 27 ON THE EC AGRICULTURAL PRICE DECISIONS, LE MONDE REITERATES THAT THE UK IS TRYING "IRREVERSIBLY" TO CHANGE THE RULES AND ATTEMPTING "WITH PERSEVERANCE" TO TURN THE COMMON MARKET INTO A FREE TRADE AREA WITH STRONG ATLANTIC OVERTONES--IN WHICH "DREAMS OF INTEGRATION AND 'AUTONOMY' WILL BE ABANDONED." CALLAGHAN WILL PURSUE THESE GOALS AT THE NEXT EC SUMMIT AND MAY SUCCEED, SINCE, FOR DIFFERENT REASONS, THE FRG, BENELUX, AND ITALY DO NOT WANT TO OFFEND THE US (SIC); THE COMMISSION UNDER JENKINS IS "SILENT AND COMPLAISANT"; AND FRANCE IS PREOCCUPIED WITH ITS NEXT ELECTIONS. "MORE THAN EVER," LE MONDE CONCLUDES, "ATLANTIC EUROPE IS ON THE MOVE." WE WOULD ONLY ADD THAT, WHATEVER THE MERITS OF THIS PERSISTENT FRENCH ARGUMENT, IMPORTANT SEGMENTS OF GOF ARE CLEARLY TROUBLED BY WHAT THEY PERCEIVE TO BE UK-EC POLICY.

3. ENLARGEMENT:

AGAINST THIS BACKGROUND, THE STRUCTURAL IMPLICATIONS ARE
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PARIS 12399 01 OF 02 271745Z

TIONS OF STILL FURTHER COMMUNITY ENLARGEMENT, SIEFER-GAILLARDIN TOLD US, ARE SIMPLY "FRIGHTENING." IN A EUROPE OF TWELVE THERE WILL ALWAYS BE AT LEAST ONE COUNTRY OPPOSING WHATEVER IS BEING DISCUSSED. FINDING A FORMULA TO CIRCUMVENT THIS WILL BE HARD. FRANCE DOES NOT WANT TO CHANGE BASIC EC REGULATIONS WHILE THE COMMUNITY IS GOING THROUGH HARD TIMES. A MORE DISCIPLINED RETURN TO MAJORITY RULE MIGHT BE THE ANSWER. BUT PROSPECTS THAT THIS WOULD WORK BETTER IN THE FUTURE THAN IN THE PAST ARE HARDLY BRIGHT. SOME ARGUE FOR CHANGING THE TERMS OF THE PRESIDENCY. LENGTHENING IT TO A YEAR WOULD MEAN THAT, AFTER ENLARGEMENT, EACH COUNTRY WOULD PRESIDE ONLY ONCE EVERY TWELVE YEARS--OBVIOUSLY TOO LONG AN INTERVAL. CONVERSELY, SHORTENING THE PRESIDENCY, OR CREATING OVERLAPPING PRESIDENCIES, WOULD ALSO BE EITHER UNREALISTIC OR AWKWARD TO MANAGE. EVEN THE IDEA OF A "DIRECTOIRE," WITH WHICH THE FRENCH ARE SO CLOSELY LINKED, HAS MAJOR DRAWBACKS.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 PARIS 12399 02 OF 02 271753Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08
FRB-03 INR-07 NSAE-00 SP-02 STR-04 TRSE-00 LAB-04
SIL-01 OMB-01 OES-06 AGRE-00 DODE-00 PA-01
USIA-06 PRS-01 L-03 IO-13 XMB-02 PM-04 NSC-05
SS-15 /105 W

-----271819Z 015339 /45

R 271732Z APR 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 2181
INFO ALL EC CAPITALS
USMISSION NATO
AMEMBASSY MADRID
AMEMBASSY LISBON
AMEMBASSY ATHENS
AMEMBASSY ANKARA

C O N F I D E N T I A L SECTION 02 OF 02 PARIS 12399

DIRECTOIRE-TYPE INITIATIVES IMMEDIATELY SET OFF
QUARRELS WITH THE SMALLER MEMBERS. AS IMPORTANTLY,
FRANCE, BRITAIN, THE FRG, AND ITALY (IF THE LATTER IS
INCLUDED) INVARIABLY HAVE DIFFERENT PATTERNS OF INTER-
ESTS ON ALMOST EVERY MAJOR QUESTION. AS A RESULT, THE
"DIRECTOIRE," FOR ALL ITS TRADITIONAL APPEAL IN PARIS,
IS ALSO NOT REALLY THE ANSWER.

THE ONLY PRACTICABLE SOLUTION, THEREFORE, MAY BE
EVEN MORE INTENSIVE BILATERAL CONSULTATIONS AMONG ALL
CONCERNED TO PREPARE THE DECISIONS TO BE REACHED IN
THE EC ON AN ISSUE-BY-ISSUE BASIS.

4. TWO-TRACK SYSTEM?:

ESPECIALLY IN PORTUGAL'S CASE, EVENTUAL ADHESION
WILL BE DICTATED MORE BY POLITICAL THAN BY ECONOMIC
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PARIS 12399 02 OF 02 271753Z

CONSIDERATIONS. ITS ADHESION AND THAT OF THE OTHER SOUTHERN EUROPEAN COUNTRIES MUST, NEVERTHELESS, NOT BE PERMITTED TO INCREASE DIVERGENCE OR DECREASE SUCH RENEWED EC EFFORTS AS THERE ARE TOWARD CONVERGENCE. QUAI RECOGNIZES THAT AT LEAST IN THE TRANSITION PERIOD, A TWO-TRACK ARRANGEMENT FOR THESE COUNTRIES WILL THEREFORE UNFORTUNATELY BE UNAVOIDABLE. HOWEVER, THEY MUST BE PUT ON NOTICE NOW THAT, AT ITS END, THEY WILL HAVE TO MEET STANDARDS OF CONVERGENCE THEN REACHED BY THE REST OF THE EC, AND NOT JUST THE PRESENT LEVELS.

5. ECONOMIC AND MONETARY UNION:

IN THIS CONTEXT, SIEFER-GAILLARDIN RECALLED THE EMPHASIS SCHMIDT AND GISCARD HAD PLACED IN THEIR BILATERAL MEETING HERE IN JANUARY (REFTEL) ON A FURTHER "BRIDGING OF THE GAP" BETWEEN GERMANY AND FRANCE AND REVIVING IMPETUS TOWARD EUROPEAN ECONOMIC AND MONETARY UNION. THIS THEME WAS AGAIN DISCUSSED IN ROME AND WILL CERTAINLY BE A TOPIC FOR THE EUROPEAN COUNCIL IN NOVEMBER. FOR THE PRESENT, PROSPECTS ARE DIMMED BY THE "CONTINUING DEGRADATION" OF THE UK ECONOMY WHICH, HE SAID, MAY NOT BE ABLE TO MEET THE IMF CONDITIONS.

6. EUROPEAN PARLIAMENT:

SIEFER-GAILLARDIN WAS POSITIVE THAT THE FRENCH PARLIAMENT WOULD PASS THE DIRECT ELECTIONS BILL WITH AN ADDENDUM OR A SEPARATE BILL, SPECIFYING THAT NO INCREASE IN THE POWERS OF THE EUROPEAN PARLIAMENT WAS INVOLVED. WHILE THIS WILL, TO AN EXTENT, SATISFY DEBRE AND SETTLE MATTERS IN FRANCE, THE FRENCH QUALIFICATION WILL POSE POLITICAL PROBLEMS FOR SOME OF FRANCE'S OTHER PARTNERS. THE ONLY BENEFICIARY MAY BE THE UK, WHICH MAY FIND THE FRENCH QUALIFICATIONS HELPFUL IN ITS OWN BELATED EFFORTS TO OBTAIN PARLIAMENT'S APPROVAL. ON THAT SCORE, HOWEVER, THE QUAI NOW "VERY MUCH DOUBTS" THAT CALLAGHAN WILL, IN FACT, SUCCEED IN MEETING THE

CONFIDENTIAL

PAGE 03 PARIS 12399 02 OF 02 271753Z

DEADLINE. THE ISSUE WILL THEN BE POSED WHETHER THE OTHERS WOULD GO AHEAD WITH THE ELECTIONS ANYWAY. SIEFER-GAILLARDIN LEFT THE IMPRESSION THAT FRANCE MIGHT ANSWER THAT QUESTION IN THE NEGATIVE.

7. JENKINS' PARTICIPATION AT THE LONDON SUMMIT:

SIEFER-GAILLARDIN ASSUMED THAT THE TOPICS ON WHICH JENKINS MIGHT PARTICIPATE AT LONDON WOULD BE GROUPED TOGETHER AND RAISED ON THE SECOND DAY OF THE SUMMIT. IT WAS NOW UP TO THE EC PRESIDENCY TO PRO-

POSE SUCH A FORMULA IN MORE CONCRETE TERMS, AND THEN
UP TO THE NINE TO PRESENT IT TO THE OTHER PARTICIPANTS
FOR THEIR APPROVAL. HE DID NOT COMMENT ON ANY CURRENT
PROBLEMS THIS PROCESS MIGHT HAVE ENCOUNTERED AMONG THE
NINE.
GAMMON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, DIPLOMATIC DISCUSSIONS, REGIONAL ORGANIZATIONS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 27-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977PARIS12399
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770147-0306
Format: TEL
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770414/aaaaalnq.tel
Line Count: 230
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 6c49c19c-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 PARIS 4273
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2679004
Secure: OPEN
Status: NATIVE
Subject: QUAI COMMENTS ON EUROPEAN STRUCTURAL PROBLEMS
TAGS: PFOR, FR, US, EEC
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/6c49c19c-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009